

AGN. NO.

MOTION BY SUPERVISOR SHEILA KUEHL

April 28, 2015

The Affordable Care Act (ACA) provided a historic opportunity to improve the health and well-being of residents in Los Angeles County. Medi-Cal expansion has played a critical role in this effort. Nearly 1.1 million additional individuals have been covered by Medi-Cal since implementation of the ACA in January 2014. In February 2011, the UCLA Center for Health Policy Research estimated that roughly 980,000 Los Angeles County residents would qualify for Medi-Cal as a result of the ACA. However, the actual number of Los Angeles County residents receiving coverage has exceeded this estimate by 120,000 individuals and this number continues to grow.

While the ACA has provided greater opportunities for expanded access to health coverage to the uninsured, it has created extraordinary challenges for DPSS in managing the Medi-Cal Program. Systemic programming defects in the State's CalHEERS system and the State's inability to timely resolve these issues have severely impacted: the timely processing of Medi-Cal applications; caseload maintenance tasks needed to support coverage; and benefit retention efforts for Medi-Cal beneficiaries. In

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spite of these many challenges, DPSS has managed to establish and retain health coverage for more than 2.6 million Los Angeles County residents.

Despite these successes, a year and a half post implementation, ongoing problems with CalHEERS continue to impede the effective administration of the Medi-Cal program. Although Covered California and the Department of Health Care Services (DHCS) have developed a “24 Month Roadmap” that prioritizes changes to the CalHEERS system through March 2017, to date, counties are still having many of the same system issues identified back in January 2014. Moreover, there are significant, known problems with the CalHEERS system that may not be resolved by March 2017, even with full implementation of the Roadmap.

These ongoing problems with the CalHEERS system have greatly increased the work associated with each Medi-Cal application and with ongoing case maintenance for Medi-Cal beneficiaries. In anticipation of the increased Medi-Cal caseload due to the ACA, the State initially increased Medi-Cal administration funding for counties by \$240 million statewide in FY 13-14 and FY 14-15. Then, based on the ongoing problems with CalHEERS and the higher-than-projected increase in the Medi-Cal caseload, the Governor provided an additional \$150 million to counties statewide mid-year in FY 14-15.

In his FY 2015-16 Proposed Budget, the Governor stated:

“County workers conduct Medi-Cal eligibility work on behalf of the state. Medi-Cal caseload has grown significantly since implementation of the Affordable Care Act, and the system built to automate eligibility work is still not completely functional. As a result, counties require additional resources for

administration of the program. The Budget includes an additional \$150 million (\$48.8 million General Fund) in 2014-15 for these purposes. The Administration will continue to monitor county workload to determine if additional resources are also warranted in 2015-16.”

While we very much appreciate the Administration’s recognition that additional funding was needed during the current year, that funding needs to be continued and increased significantly during FY 2015-16. In order for DPSS to meet the needs of Medi-Cal applicants and beneficiaries, additional Medi-Cal administration funding is required.

In this context, it is imperative that the State take all possible actions to fix the CalHEERS system as expeditiously as possible and provide counties with the resources necessary to provide effective service to Medi-Cal applicants and beneficiaries.

I, THEREFORE MOVE that the Board of Supervisors:

1. Direct the Interim Chief Executive Officer, in collaboration with the Director of Public Social Services, to send a 5-signature letter to Governor Brown, (with copies to the Secretary of Health and Human Services and the Directors of Healthcare Services, Finance, and the Office of Systems Integration), (a) advocating for the expeditious resolution of critical CalHEERS system issues, (b) supporting the Governor’s proposed continuation of \$240 million in base funding that began in FY 2013-14, and (c) urging the continuation and substantial expansion of the \$150M in funding that was added during the current fiscal year, so that the Department of Public Social Services can effectively provide health coverage to eligible Los Angeles County residents.

2. Direct the County's Sacramento advocates, in collaboration with the Director of Public Social Services, to work with the Brown Administration and the Legislature in pursuit of these three objectives.

S:GHH/2015 CalHEERS